

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

November 20, 2002

Agenda ID #1408

TO: PARTIES OF RECORD IN APPLICATION 01-06-039

This is the draft decision of Administrative Law Judge (ALJ) Wong. It will be on the Commission's agenda at the December 17, 2002 meeting. The Commission may act then, or it may postpone action until later.

When the Commission acts on the draft decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Rule 77.7(f)(9) provides for reduction or waiver of the 30-day period for public review and comment when public necessity requires such reduction. We must balance whether the public necessity of adopting an order outweighs the public interest in having the full 30-day review and comment. Those considerations have been weighed, and a shortened comment and reply comment period will be adopted. As a result, comments on the draft decision must be filed and served by Monday, December 9, 2002. Reply comments must be filed and served by Monday, December 16, 2002.

Pursuant to Rule 77.3 opening comments shall not exceed 15 pages. Finally, comments must be served separately on the ALJ and the assigned Commissioner, and for that purpose I suggest hand delivery, overnight mail, or other expeditious method of service.

/s/ ANGELA K. MINKIN for  
Carol Brown, Interim Chief  
Administrative Law Judge

CAB:sid

Attachment

Decision **DRAFT DECISION OF ALJ WONG** (Mailed 11/20/2002)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

The application of SAN DIEGO GAS & ELECTRIC (U 902 E) for approval of servicing agreement between the State of California Department of Water Resources (“DWR”) and SDG&E Company Pursuant to Chapter 4 of the Statutes of 2001 (Assembly Bill 1 of the First 2001-2002 Extraordinary Session).

Application 01-06-039  
(Filed June 22, 2001)

**OPINION APPROVING THE 2003 SERVICING ORDER CONCERNING  
SAN DIEGO GAS & ELECTRIC COMPANY AND THE CALIFORNIA  
DEPARTMENT OF WATER RESOURCES****Summary**

On October 8, 2002, the California Department of Water Resources (DWR) submitted to this Commission a memorandum and proposed modifications to the “First Amended and Restated Servicing Agreement” (Amended Servicing Agreement) between DWR and San Diego Gas & Electric Company (SDG&E).<sup>1</sup> DWR’s submission was made in response to D.02-09-053 (the “Contract Allocation Decision”), which directed DWR and SDG&E to negotiate appropriate modifications to the Amended Servicing Agreement as a result of the allocation of energy from, and operational responsibility for, DWR’s electricity contracts to SDG&E and the other two large electric utilities.

---

<sup>1</sup> The Amended Servicing Agreement was previously approved by the Commission in Decision (D.) 02-04-048.

Today's decision approves a modified version of DWR's proposed modifications, which we have labeled as the "2003 Servicing Order Concerning State of California Department of Water Resources And San Diego Gas & Electric Company" (Servicing Order). Because the changes that DWR proposed, and that we here approve with modifications, were not agreed to by SDG&E, we are constrained to issue a Servicing Order rather than approve a Servicing Agreement. Appendix A of this decision contains a marked version of the revisions to the Servicing Order that we approve today. Appendix B of this decision is a "clean" copy of the approved Servicing Order. SDG&E is ordered to comply with the terms and conditions of the Servicing Order. The Servicing Order sets forth the terms and conditions under which SDG&E will provide the transmission and distribution of DWR-purchased electricity, as well as billing, collection, and related services on behalf of DWR. The Servicing Order also addresses DWR's compensation to SDG&E for providing those services.

Today's Servicing Order is needed because DWR and SDG&E have been unable to negotiate a mutually agreeable servicing arrangement. Due to the upcoming date when SDG&E is to assume operational control of the DWR contracts allocated to it, a Servicing Order needs to be put into place prior to year's end.

**Background**

In January 2001, in response to the energy crisis facing California, the Legislature gave DWR the authority to purchase electricity and sell it to the retail customers of California's electric utilities. This authority was provided for in Assembly Bill 1 of the First Extraordinary Session of 2001-2002 (Stats. 2001, Ch. 4) (AB X1).

In March 2001, the Commission ordered SDG&E to segregate, and hold in trust for the benefit of DWR, certain amounts its customers had paid for DWR's electricity. (D.01-03-081.) This arrangement was formalized in the "Servicing Agreement Between State of California Department of Water Resources and San Diego Gas & Electric Company," which was approved by the Commission with certain modifications in D.01-09-013.

As a result of D.01-09-013, D.02-02-051, and D.02-02-052,<sup>2</sup> SDG&E and DWR discussed and negotiated amendments and restatements to the Servicing Agreement. These changes were reflected in the Amended Servicing Agreement, which the two parties signed on March 29, 2002. Subsequently, SDG&E sought Commission approval of the Amended Servicing Agreement by filing a petition for modification of D.01-09-013. The Commission granted SDG&E's petition and approved the Amended Servicing Agreement in D.02-04-048.

In D.02-07-038, the Commission approved SDG&E's second petition to modify D.01-09-013. This petition sought Commission approval of "Amendment No. 1" to the Amended Servicing Agreement.<sup>3</sup> Thus, prior to today's decision, the existing servicing arrangements between SDG&E and DWR are composed of the Amended Servicing Agreement and Amendment No. 1.

Under AB X1, DWR's authority to contract for electricity purchases expires on January 1, 2003. (Water Code § 80260.) Rulemaking (R.) 01-10-024 was

---

<sup>2</sup> D.02-02-051 adopted the Rate Agreement between DWR and the Commission, and D.02-02-052 allocated DWR's 2001-2002 revenue requirement among the customers in the utilities' service territories in California.

<sup>3</sup> Amendment No. 1 implemented the 2002 20/20 Program for energy conservation, and provides for the bond charge to appear as a separate line item on a consolidated utility bill.

initiated by the Commission to allow the electric utilities to resume the responsibility of procuring electricity for their customers. In D.02-09-053, the Commission ordered SDG&E, and the other two large electric utilities, to assume all of the operational, dispatch, and administrative functions for the electricity contracts that DWR had entered into, effective January 1, 2003. D.02-09-053 also allocated the DWR contracts to the resource portfolios of the three utilities, who are to schedule and dispatch the contracts in a least-cost manner.

As a result of the assumption of the operational duties for the DWR contracts, the Contract Allocation Decision recognized that the “servicing arrangements” that DWR had entered into with SDG&E, would need to be altered. (D.02-09-053, pp. 15, 59.) In Ordering Paragraph 3 of D.02-09-053, DWR and SDG&E were directed to negotiate appropriate modifications to their servicing arrangements, and DWR was directed to “submit its proposed modifications” by October 1, 2002. DWR and the three electric utilities were also directed to jointly file proposed operational agreements and proposed standards for reasonableness review by October 1, 2002.

The three utilities requested an extension of the submission date for the proposed modifications to the servicing arrangements and proposed operational agreements. The Commission’s Executive Director, in a letter dated September 27, 2002, granted an extension of one week, to October 8, 2002.

In response to the submissions ordered in D.02-09-053, on October 8, 2002, DWR electronically transmitted to the Commission, and to the service list, a memorandum from Peter Garris of DWR, along with the proposed modifications

to the existing servicing arrangements for SDG&E, and the other two utilities.<sup>4</sup> The document containing DWR's proposed modifications to SDG&E's servicing arrangements is labeled "2003 Servicing Agreement Between State of California Department of Water Resources And San Diego Gas & Electric Company." DWR also transmitted two other documents, one which contains Attachments A through H of the Servicing Order, and the other which contains Attachment J of the Servicing Order.

Due to the earlier extension by the Executive Director, the assigned administrative law judge (ALJ) issued a ruling on October 10, 2002, allowing interested parties additional time to submit comments on the proposed modifications to SDG&E's servicing arrangements, and reply comments. SDG&E filed comments and reply comments on October 18, 2002 and October 23, 2002, respectively. On October 23, 2002, DWR transmitted a memorandum entitled "Comments Concerning Submissions Requested by the California Public Utilities Commission Decision 02-09-053."

### **Summary of Proposed Modifications to the Amended Servicing Agreement**

The proposed modifications to the Amended Servicing Agreement and related attachments have been compared to the Amended Servicing Agreement that was approved in D.02-04-048, and to Amendment No. 1 approved in D.02-07-038. In addition, the proposed modifications have been reviewed in light of the Contract Allocation Decision. Appendix A of this decision reflects

---

<sup>4</sup> DWR also submitted the proposed operating agreement and related attachments.

the proposed modifications to the Amended Servicing Agreement through the use of underlining and strikeout markings.

The proposed modifications fall into the following categories:

- Definitions and requirements relating to the DWR contracts allocated to SDG&E in the Contract Allocation Decision.
- Definitions and requirements relating to the surplus energy sales and remittances that SDG&E will be responsible for.
- Definitions and requirements relating to the Operating Order.
- Incorporation of Amendment No. 1 into the modified version of the Amended Servicing Agreement.
- Certain attachments to be provided by SDG&E in Service Attachment 2.
- Incorporation of Attachment F, approved in D.02-07-038, into the modified version of the Amended Servicing Agreement.

In addition to the proposed modifications, additional changes have been made to the Amended Servicing Agreement and the related attachments. These additional changes are described in the discussion section below, and also reflect that SDG&E is being ordered to provide the services in accordance with the attached Servicing Order and that an Operating Order is expected to be approved, rather than an Operating Agreement.



**Position of the Parties****A. DWR**

According to DWR's October 8, 2002 memorandum, DWR distributed the proposed modifications to SDG&E's servicing arrangements on October 3 and 4, 2002. As of October 8, 2002, DWR was unable to ascertain whether the proposed modifications were acceptable to SDG&E.

DWR has proposed modifying the Amended Servicing Agreement by making certain changes to the accounting and reporting procedures. According to DWR, these changes are found in Attachments C and J of the Servicing Order. Parallel accounting and reporting provisions are contained in Exhibits C and F of the Operating Order. DWR states that these accounting and reporting procedures are consistent with the policy set forth in the Contract Allocation Decision.

In its October 23, 2002 memorandum, DWR noted that, consistent with AB X1 and the Contract Allocation Decision, that it would still be subject to continuing obligations with respect to the DWR contracts. In particular, these obligations include:

- Servicing the bonds as issuer;
- Managing legal and financial obligations under its long-term contracts;
- Ensuring the integrity of its revenues; and
- Fulfilling its substantial reporting obligations associated with the above.

DWR states that it is working to ensure that there is an efficient and timely transition to the utilities of the operational functions of the DWR

contracts, while ensuring that DWR is able to fulfill its continuing obligations.

To accomplish this goal:

“DWR believes that certain principles and arrangements must be established regarding utilities’ performance of certain functions under the allocated DWR long-term contracts on behalf of DWR. The operating agreement is a compilation of such principles and arrangements that DWR believes are necessary to achieve these goals.

...

“In preparing the operating agreement, DWR’s objective has been to minimize DWR’s involvement in the utilities’ operation of the integrated portfolio, consisting of utility and allocated DWR contract resources, and to allow the utilities to make substantially all the operating decisions. The operating agreement is intended to provide appropriate mechanisms that allow the utilities to optimize the use of the integrated portfolio of resources on a service territory basis.... After the operational transition, DWR will continue to be legally and financially responsible for the direct costs under the allocated DWR long-term contracts, including gas-related costs. As a result, DWR needs to receive timely reporting of data outlined in Exhibit F of the operating agreement.

“To implement checks and balances while operating the integrated portfolio, DWR has proposed certain accounting and revenue sharing principles in Exhibit C of the operating agreement. DWR believes that the proposed accounting and revenue sharing principles provide greater certainty of revenues and cash flows to the utilities and DWR and, accordingly, aid the utilities in their quest for creditworthy status. Finally, DWR believes that the pro rata revenue-sharing methodology articulated in the Contract Allocation Decision and further reflected in DWR’s accounting and revenue sharing principles results in an equitable sharing of

risk and reward. The information and data being requested under Exhibit F of the operating agreement are to facilitate DWR's verification of the utilities' remittances to DWR and costs incurred under the allocated contracts rather than to conduct an operational review of the utilities decisions.

"At this time, DWR does not believe that there is a consensus on the accounting and revenue sharing principles proposed by DWR. ... The resolution of the issues related to the accounting and revenue sharing principles will require a significant shift from the existing remittance policy and DWR believes that such a policy implementation can only be achieved with the Commission's support and active involvement." (DWR October 23, 2002 Memorandum, pp. 1-2.)

## **B. SDG&E**

SDG&E's comments emphasize three points that the Commission should keep in mind while considering the proposed modifications to the Amended Servicing Agreement. First, that DWR and SDG&E are still continuing to negotiate, and that more time is needed to reach a consensus with DWR concerning the proposed modifications. Second, that the proposed modifications to the Amended Servicing Agreement are duplicative or in conflict with the proposed Operating Agreement. Whatever is adopted in the proposed Operating Agreement will affect certain provisions in the proposed modifications to the Amended Servicing Agreement. And third, that the proposed modifications to the Amended Servicing Agreement should provide that any revenues for surplus sales will be net of expenses.

SDG&E's comments also lists a series of concerns with the proposed modifications to the Amended Servicing Agreement and to the attachments. These issues fall into the following categories:

- Text changes to reflect the pro rata sharing of revenues contained in D.02-09-053.
- Text changes to reflect whether an agency relationship is created from the surplus sales made from a pro rata resource pool of DWR and investor owned utility energy, and indemnification and waiver of liability issues.
- Text changes regarding credit risk management and the associated incremental costs related to the sale of surplus energy.
- When SDG&E should forward DWR's share of the surplus energy sales revenues.
- Changes to Service Attachment 2, and Attachments B, F and G.

**Discussion**

In deciding whether we should approve the proposed modifications to the Amended Servicing Agreement and related attachments, the Commission is mindful of the course of action we have taken in R.01-10-024 and in D.02-09-053. One of the goals of R.01-10-024 is to allow the utilities “to resume purchasing electric energy, capacity, ancillary services and related hedging instruments to fulfill their obligation to serve and meet the needs of their customers.” (R.01-10-024, p. 1.)

In order for SDG&E and the other utilities to undertake the operational responsibilities associated with the allocated DWR contracts beginning on January 1, 2003, certain operational arrangements and servicing arrangements need to be in place. With less than one month to go before the utilities are to take over the operational responsibilities for the DWR contracts, DWR and SDG&E have been unable to agree on a mutually acceptable servicing arrangement. To

ensure a seamless transition of the DWR contracts allocated to SDG&E, while ensuring that DWR's legal and financial responsibilities for the DWR contracts continue to be fulfilled, it is imperative that servicing arrangements be in place before the end of 2002.

D.02-09-053 also required DWR to submit proposed operational agreements. As noted in the positions of the parties, certain provisions of the proposed operational agreement that DWR submitted may affect certain provisions of the proposed modifications to the Amended Servicing Agreement and the related attachments. The proposed operating agreement is being considered by the Commission in R.01-10-024. Since DWR and the utilities have been unable to mutually agree on a proposed operational agreement, we believe that the Commission will concurrently adopt an Operating Order when a Servicing Order for SDG&E is adopted.

We now turn to SDG&E's concerns with the proposed modifications to the Amended Servicing Agreement.

SDG&E's first concern is that the use of "deemed" in sections 1.51 and 2.2.(c) of Amended Servicing Agreement are unnecessary because it may conflict with the pro rata sharing of revenues ordered in D.02-09-053 and because Attachments H and J specify how to determine the amount of energy provided by DWR and SDG&E.

We agree with SDG&E. Attachments H and J explain how to determine the amount of energy provided by DWR and SDG&E. The use of the term or phrase starting with "deemed" could be interpreted to mean that another calculation of DWR energy is possible. We will delete the references in sections 1.51. and 2.2.(c).

SDG&E's second concern is whether the utility is acting as DWR's agent for surplus sales, as found in the proposed modification to sections 2.3. and 14.1. We decline to delete that reference. The draft decision regarding the Operating Order notes that the utilities are operating as DWR's agent for limited purposes.

SDG&E's third concern is with the costs associated with credit risk management and the incremental costs associated with the sales of surplus energy.

We will accept DWR's proposed modification to sections 3.1(c) and 3.1(d) of the Servicing Order. This is consistent with the Commission's goal of reducing the utilities' reliance on the use of state resources.

SDG&E's fourth concern is with sections 3.5 and 12, and whether DWR must provide indemnification or a waiver of liability in situations involving the sale of surplus energy and disputes with third-party purchasers. Section 12 of the Amended Servicing Agreement addresses indemnification issues, but does not specifically address how specific situations would be handled. Neither DWR or SDG&E have proposed language to clarify the indemnification issue. We refrain from crafting additional indemnification language for the Servicing Order. This issue is best left to DWR and SDG&E to work out.

The fifth concern of SDG&E is the timing of when SDG&E shall make its remittances to DWR for the sale of surplus energy. Under section 4.2(g) and Attachment J, SDG&E is to remit DWR's share of the surplus sales revenues on the first business day after the 20th day of the month following each delivery month. SDG&E takes the position that it should not have to advance any funds to DWR, and that it should only remit DWR's share of the surplus sales revenues when the purchasers of the power pay SDG&E.

In D.02-09-053, at page 46, we stated that although DWR remains financially responsible for paying all contract-related bills, we expect that the utilities will “verify the invoices and instruct DWR to pay the bills.” This statement suggests that SDG&E should not have to advance funds to DWR before DWR has to pay its invoices. The provisions in section 4.2(g) and Attachment J would require SDG&E to remit payments within 20 days of each delivery month, which presumably does not match up with when the invoices are due. DWR and SDG&E should discuss whether these provisions should be changed. However, due to the need to have a servicing arrangement in place, we will not modify the remittance procedure at this time. Although the proposed remittance procedure would require SDG&E to possibly advance funds before it has received them from the purchasers of the surplus energy, this initial advance will be covered by the cash flow in subsequent months.

SDG&E’s sixth concern is with the proposed modifications to sections H and I of Attachment B. SDG&E notes in its comments that section H.2. “should be deleted since this deals with the reconciliation SDG&E just completed.”

We note that in DWR’s October 8, 2002 transmittal of the proposed modifications to Attachment B, that section H.2. had already been deleted. As for the proposed modifications to section I of Attachment B, the addition of this section is consistent with the Post-Transition Remittance Methodology that is to take effect on and after the effective date of the Operating Order as provided for in Attachment H.

The seventh concern of SDG&E is that SDG&E has not included the Commission approved version of Attachment F in its proposed modifications.

We have compared DWR's submission of Attachment F to the version that was approved in D.02-07-038. DWR's submission is virtually identical<sup>5</sup> to what was approved in D.02-07-038, except that DWR's October 8, 2002 submission does not contain the table entitled "Summary Results of 20/20 Conservation Program: August 2002."<sup>6</sup> We have indicated on Appendix A and Appendix B that the table approved in D.02-07-038 should be used in Attachment F.

SDG&E's eighth concern is with Attachment G, the DWR billing agent cost estimates. SDG&E states that this chart is outdated because it does not include bond charges and exit fees. SDG&E states that this section will need to be updated once these charges and fees are known. With that understanding, we recognize that Attachment G will need to be changed to reflect these additional charges and fees.

SDG&E's ninth concern is with the information that DWR wants in Service Attachment 2. SDG&E states that it is working with DWR to determine what kind of information DWR wants. DWR's October 8, 2002 submission only included the one page "Service Attachment 2," which described the "Title" of seven sections. DWR's Service Attachment 2 also notes that this is "To be provided by Utility." We will retain the Service Attachment 2 page as part of the

---

<sup>5</sup> DWR's submission, which appears in Appendix A, has been changed in several places to reflect that we are approving a Servicing Order. DWR's submission of Attachment F also included a portion of Attachment G, which DWR deleted using strikeout marks.

<sup>6</sup> If one looks at the marked revisions in Appendix A of this decision, it appears that the "Summary Results of 20/20 Conservation Program: August 2002" table may be hidden or embedded behind the deleted "Summary Results of 20/20 Conservation Program: July 2001" table.



Servicing Order, with the understanding that DWR and SDG&E will need to discuss what kind of information DWR wants from SDG&E.

The majority of the proposed modifications to the Amended Servicing Agreement reflect the actions taken in the Contract Allocation Decision, and are also linked to the proposed operating agreement. All of the proposed modifications, as shown in the attached Servicing Order and as discussed above, are consistent with the directives ordered in D.01-09-013, D.02-02-051, D.02-02-052, and D.02-09-053.

Since DWR and SDG&E have been unable to timely agree on a mutually acceptable modified Amended Servicing Agreement, we have further modified DWR's proposed modifications to the Amended Servicing Agreement to turn the document into a Servicing Order. The marked and clean versions of the Servicing Order, which are attached to this decision as Appendix A and Appendix B, are approved. SDG&E shall be directed to comply with the terms and conditions of the attached Servicing Order.

We note that today's approval of the Servicing Order does not prevent DWR and SDG&E from negotiating a mutually agreeable modified servicing agreement in the future and bringing such an agreement to us for approval. However, due to the approaching deadline for when SDG&E is to take over the operational aspects of the DWR contracts allocated to SDG&E, the attached Servicing Order is needed so that the operational transition for the DWR contracts can proceed smoothly.

### **Rehearing and Judicial Review**

This decision construes, applies, implements, and interprets the provisions of AB X1. Pursuant to Public Utilities Code § 1731(c) any application for rehearing of this decision must be filed within 10 days of the date of issuance of

this decision, and the provisions of Public Utilities Code § 1768 are applicable to any judicial review of this decision.

**Comments on Draft Decision**

Pursuant to Public Utilities Code §311(g)(1) and Rule 77.7 of the Commission's Rules of Practice and Procedure, the draft decision of the ALJ was mailed to the parties on November 19, 2002. In accordance with Rule 77.7(b) and Rules 77.2 and 77.5, comments to the draft decision shall be filed with the Commission's Docket Office within 20 days from the date of mailing, and any reply comments shall be filed five days after the opening comments are filed.

**Assignment of Proceeding**

Loretta M. Lynch is the Assigned Commissioner and John S. Wong is the assigned ALJ in this proceeding.

**Findings of Fact**

1. In response to D.02-09-053, on October 8, 2002, DWR submitted a memorandum and its proposed modifications to the Amended Servicing Agreement.
2. Prior to today's decision, the existing servicing arrangement between DWR and SDG&E are composed of the Amended Servicing Agreement and Amendment No. 1.
3. D.02-09-053 allocated the DWR contracts, and ordered SDG&E and the other two large electric utilities, to assume all of the operational, dispatch, and administrative functions for the allocated electricity contracts, effective January 1, 2003.
4. The proposed modifications to the Amended Servicing Agreement and related attachments have been compared to the Amended Servicing Agreement

that was approved in D.02-04-048, to Amendment No. 1 approved in D.02-07-038, and have been reviewed in light of the Contract Allocation Decision.

5. One of the goals of R.01-10-024 is to allow the utilities to resume purchasing electric energy, capacity, ancillary services and related hedging instruments to fulfill their obligation to serve and meet the needs of their customers.

6. In order for SDG&E and the other utilities to undertake the operational responsibilities associated with the allocated DWR contracts beginning on January 1, 2003, certain operational arrangements and servicing arrangements need to be in place before that date.

7. Certain provisions of the proposed operating agreement may affect certain provisions of the proposed modifications to the Amended Servicing Agreement and related attachments.

8. The proposed operational agreement is being considered by the Commission in R.01-10-024.

9. The concerns of SDG&E over the proposed modifications to the Amended Servicing Agreement and related attachments have been reviewed and considered, and appropriate changes have been made as discussed in this decision.

10. Notwithstanding today's approval of the Servicing Order, DWR and SDG&E are free to submit a mutually agreeable modified servicing agreement for our approval.

### **Conclusions of Law**

1. All of the proposed modifications to the Amended Servicing Agreement and the related attachments are consistent with the directives ordered in prior Commission decisions.

2. Since DWR and SDG&E have been unable to timely agree on a mutually acceptable modified Amended Servicing Agreement, the Commission has made additional modifications to convert the modified Amended Servicing Agreement into a Servicing Order.

3. The Servicing Order attached to this decision should be approved.

4. SDG&E should be directed to comply with the terms and conditions contained in the approved Servicing Order.

## **O R D E R**

### **IT IS ORDERED** that:

1. The marked version, attached hereto as Appendix A, and the clean version, attached hereto as Appendix B, of the “2003 Servicing Order Concerning State of California Department of Water Resources And San Diego Gas & Electric Company” (Servicing Order) is approved.

2. San Diego Gas & Electric Company shall comply with all of the terms and conditions of the approved Servicing Order.

3. This proceeding is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**APPENDIX A**  
**2003 Servicing Order**

# **APPENDIX B**

## **2003 Servicing Order**